



IPAE - PROGARDEN S.P.A.

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SECTOR
PLASTIC PRODUCTS & PACKAGING

ESG SCORE

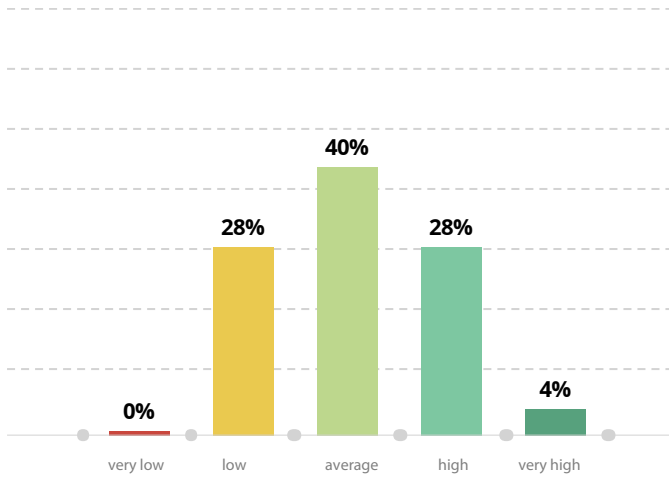


HIGH PERFORMANCE

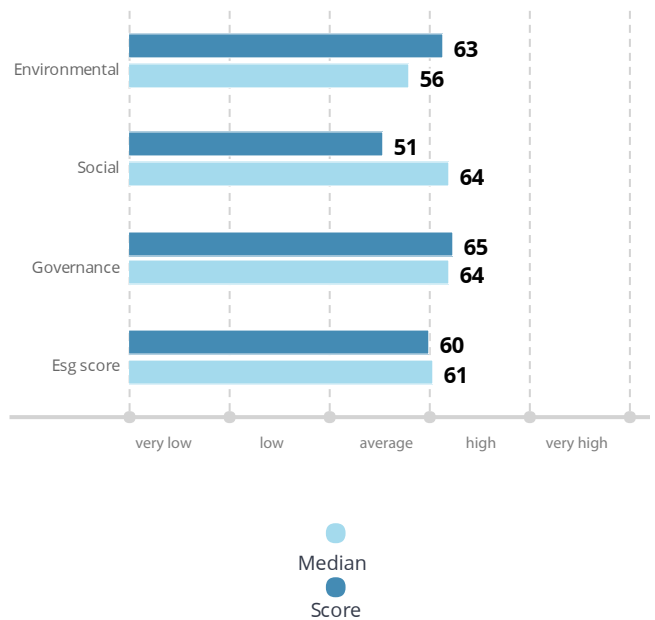
ASSESSMENT BY SECTION

	SCORE	EVALUATION
Environmental	63.0	●●●●●
Social	51.0	●●●●●
Governance	65.0	●●●●●

DISTRIBUTION OF ESG ASSESSMENTS IN THE CLUSTER*



ESG SCORE BREAKDOWN BY SECTION*



* The graph shows the distribution of evaluations by sub-industry. The percentage represents the share of companies in the respective evaluation classes.

* The graph compares ESG scores of each section with the median values of companies in the same sub-industry.



ENVIRONMENTAL

63.0 

This section provides a synthetic score regarding environmental issues and expresses the positioning of the evaluated company. The score per section is the result of the weighted average of the scores assigned to each of the Macro sections. The Macro section score is the arithmetic mean of the scores assigned to the individual thematic indicators.

In the “Environmental” section, IPAE PROGARDEN recorded high performance compared to the reference cluster “Plastic Products and Packaging”, obtaining a score of 63/100.

The choice to acquire plastic materials (polypropylene) to be recycled for the purposes of creating the products offered by the Company had a particularly positive impact. Moreover, IPAE PROGARDEN uses only paper and cardboard of certified origin (FSC, PEFC) or recycled for packaging. These are generally entrusted to the supplier, which regenerates the material and returns it to the company to be reused in the processes. From a circular economy standpoint, the Company has particularly good performance: in addition to recovering the packaging that is part of the production cycle, IPAE PROGARDEN also recovers waste products, defective products and returns, which are then ground up and reintroduced as raw materials into the production cycle. For plastics, the company uses mainly foreign suppliers with a high international profile. However, during the supplier qualification phase, acknowledgement of the principles of the Code of Ethics is not recorded, through tools such as questionnaires. The Company has not adopted an environmental policy, albeit mentioned in the Code of Ethics, that helps it to define a strategy, values and corporate objectives related to environmental protection, management of the relative risk and areas of intervention aimed at reducing environmental impacts. Furthermore, no specific environmental KPIs have been defined to reduce its company impact. An example of a planned objective could focus on reducing energy consumption, through the installation and purchase of new machinery. The organisation also provided disclosures on the other materials used, including calcium carbonate and dyes that play an important role in the production process of finished products. Water management appears to be positive, with a withdrawal rate in line with the sample, but with a high percentage of water recovered and returned to the production cycle through chillers and cooling towers.

The intensity indices of energy consumed and direct and indirect emissions are within average levels, with a strong impact of the Scope 2 component relating to electricity. For this, IPAE uses a supplier with a limited percentage of energy generated from renewable sources, so a possible improvement would be the purchase of energy with a mix of sources with a higher percentage of renewable energy, so as to reduce its effects on ecosystems. In recent years, IPAE PROGARDEN has invested in new machines, which have replaced the older ones in order to reduce energy consumption. The Company has invested in the assembly of inverters on presses, again to reduce energy procurement. In addition, the company replaced panels in the electrical substations with smart panels 4.0 for the constant and timely monitoring of electricity and to reduce waste.

However, there are no specific reduction KPIs or time objectives. As regards direct emissions, the impacts of the company fleet appear to be reduced compared to the reference sample.

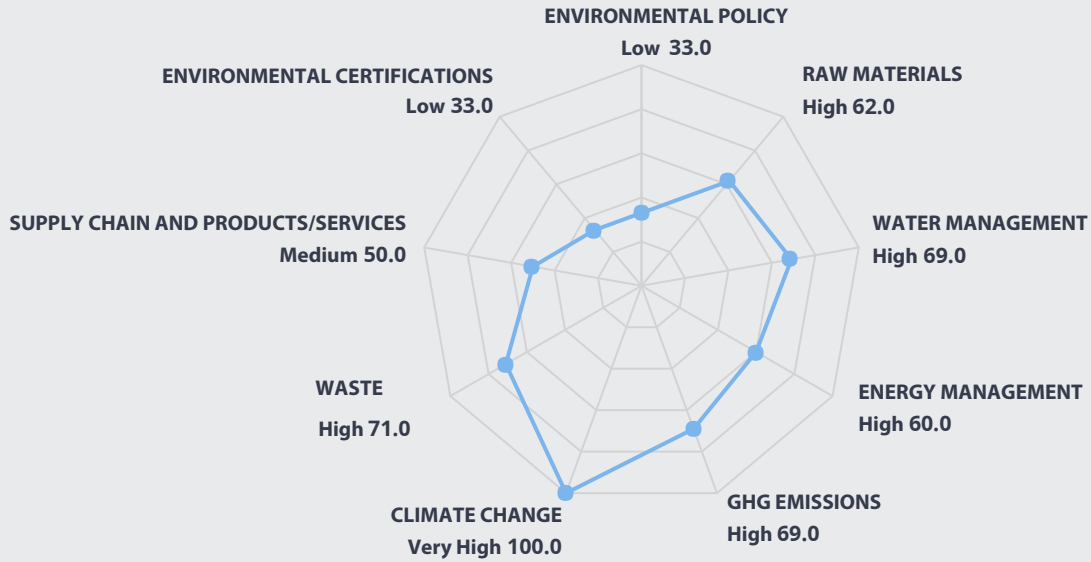
It should be added that the organisation shows a good assessment with respect to the intensity of waste generated. For environmental issues, the Company avails itself of a specialised external consultant.

In relation to products, 55% of turnover is related to items made with recycled raw materials and said items are 100% recyclable. Further improvement is currently held back by technological limits in reference to white products, which can mainly use virgin polypropylene. However, there are no specific environmental product labels (e.g. Ecolabel) present. To date, there are no environmental or quality management certifications such as ISO 14001 or 9001, which are the main areas for improvement. However, the 50001 certification relating to the energy management system is in the process of being adopted, the completion of which can be assessed in subsequent analyses.



MACRO SECTIONS

The graph shows the positioning of the company regarding the analyzed sections of its environmental impact



THEMATIC INDICATORS

The following scorecard shows the main ESG indicators concerning the measurement of environmental impact indicators

T	TI IN I TO	O P N T	MEDIAN	POSITIONING
Environmental Policy		No	-	● ○ ○ ○ ○
Circular Economy Business		Si	-	○ ○ ○ ○ ●
Measurable Enviromental Targets		No	-	● ○ ○ ○ ○
Energy Intensity		385.02 MWh/M.Eur	430.36 MWh/M.Eur	○ ○ ● ○ ○
Sustainability Supply Chain assessment		No	-	● ○ ○ ○ ○
ISO 14001		No	-	● ○ ○ ○ ○
Waste Intensity		4.38 Ton/M.Eur	17.96 Ton/M.Eur	○ ○ ○ ○ ●



SOCIAL

51.0 

This section provides a synthetic score regarding corporate welfare issues and expresses the positioning of the evaluated company. The score per section is the result of the weighted average of the scores assigned to each of the Macro sections. The Macro section score is the arithmetic mean of the scores assigned to the individual thematic indicators.

The "Social" dimension places the Company in the middle range, obtaining a score of 51/100. There are greater margins for improvement for certain aspects relating to personnel management, training and health and safety. On the other hand, the Company's contribution to the community is positive, thanks to regular initiatives, donations and support to local churches and associations.

In terms of composition of the workforce, there are higher ratios than the sector median for personnel under 30, as well as with respect to the permanent employment rate. The percentage of gender diversity is overall lower than the cluster. The hiring rate for 2022 was good, showing an incoming turnover of 42%. Outgoing turnover is also quite high, but in any case, offset by the recent hiring of young employees. It is also noted that 100% of the women are employed on a permanent basis, there is good average seniority overall, as well as an adequate set of benefits. There are no specific remote working agreements in place, but IPAE envisages possible remote working agreements with employees in case of need. Life insurance for executives is also envisaged, and supplementary health care, flexible benefits and agreements with discounts for IPAE workers who are 100% covered by the National Collective Labour Agreement. Possible ideas for improvement include the implementation of surveys on the level of employee satisfaction in the company. The company climate survey would make it possible to obtain an assessment on employee satisfaction and to collect any observations relating to improvement measures desired by staff.

It should be noted that there is a possibility to increase the training provided to employees, which is lower compared to the sector median. The company performs well in terms of providing health and safety courses but could strengthen specific courses in transversal subjects such as ethics or the digital world.

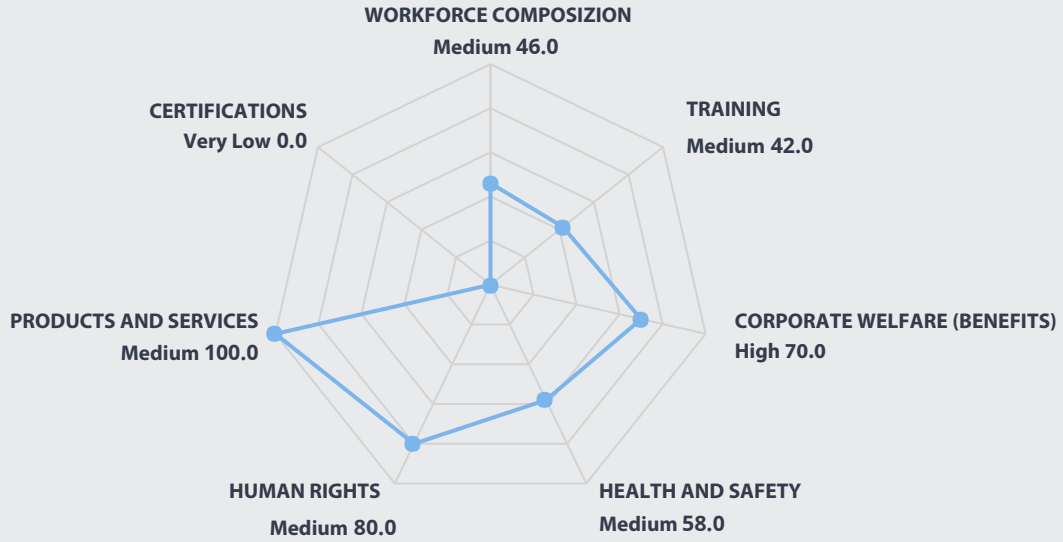
Both the workplace accident rate and the rate of absenteeism appear to be higher than the median of reference. On the subject of health and safety, there is no management system compliant with ISO standard 45001, while some references to commitments in this regard are indicated in the Code of Ethics. For contacts with hazardous materials, the necessary PPE are envisaged and distributed to workers.

There were no cases of discrimination in the reference year; in relation to the products, there were no incidents of non-compliance in 2022.



MACRO SECTIONS

The chart shows the positioning of the company with regard to the dimensions analyzed to measure its corporate welfare indicators



THEMATIC INDICATORS

The following scorecard shows the main ESG indicators concerning the measurement of corporate welfare indicators.

THEMATIC INDICATOR	COMPANY DATA	MEDIAN	POSITIONING
Employees under 30 %	17.82 %	14.46 %	●●●●●
Permanent employees (%)	97.03 %	93.56 %	●●●●●
Employees rate of entry (%)	42.0 %	11.97 %	●●●●●
ISO 45001/OHSAS 18001	No	-	●●●●●
Training hours/number of employees	2.64 Hours/Empl.	16.37 Hours/Empl.	●●●●●
Business climate survey	No	-	●●●●●



GOVERNANCE

65.0 

This section provides a synthetic score regarding corporate governance issues and expresses the positioning of the evaluated company. The score per section is the result of the weighted average of the scores assigned to each of the Macro sections. The Macro section score is the arithmetic mean of the scores assigned to the individual thematic indicators.

IPAE Progarden obtained a score of 65/100 in the corporate governance area, positioning itself in a high range with a score slightly lower than the sector median.

The Company has established a Board of Directors with a system of transparent proxies that guarantees separation of powers between the Chairman and the CEOs. There is a good level of female representation on the Board and in top management positions overall, where there are women particularly in administrative functions, sales and personnel management. There are no independent members.

There were no cases of corruption, environmental sanctions or cases of anti-competitive conduct, while the impact of a dispute and related sanction following an accident in 2016 has been considered.

Consequently, the Company has not yet obtained the Legality Rating, which is nevertheless a goal for the coming year.

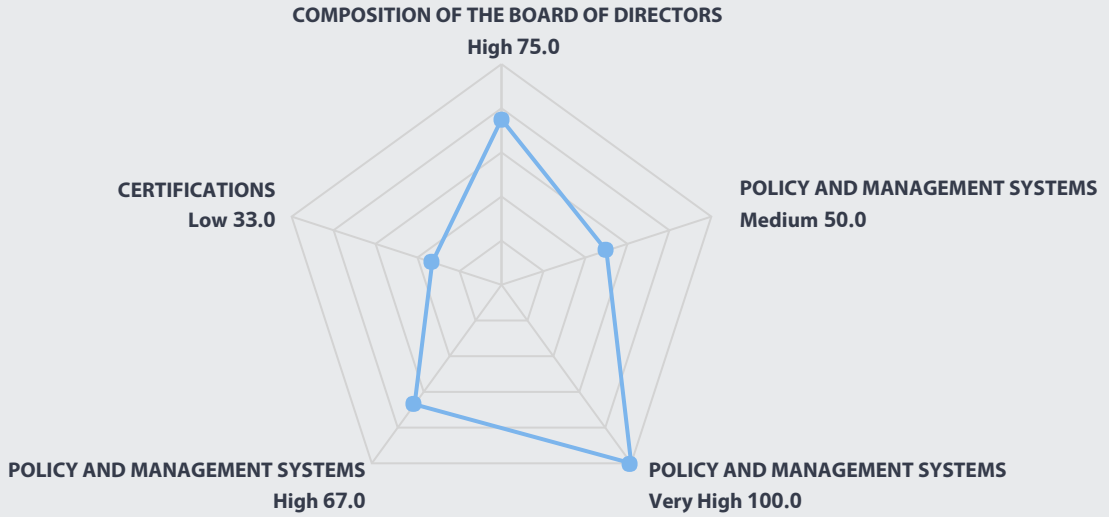
At the time of the assessment, the Company actually completed the process for the adoption of an Organisation, Management and Control Model compliant with Italian Legislative Decree 231, for which the appointments of the Supervisory Body and the entry into force are currently being defined and may be considered in the next assessment. The Company has introduced a Code of Ethics for workers, but also for other stakeholders, including aspects relating to anti-corruption, respect for human rights and conflicts of interest.

In the future, the organisation could evaluate the adoption of a sustainability plan and/or the definition of quantitative objectives in terms of ESG, to outline a strategy oriented towards long-term sustainability. This could include the appointment of a designated manager or internal committee to carry out ESG initiatives and objectives.



MACRO SECTIONS

The graph shows the positioning of the company regarding the analyzed sections of its corporate governance impact



THEMATIC INDICATORS

The following scorecard shows the main ESG indicators concerning the measurement of corporate governance indicators

THEMATIC INDICATOR	COMPANY DATA	MEDIAN	POSITIONING
Board members female (% in total)	33.33 %	27.27 %	●●●●●
Women's presence in the top-management (%)	50.0 %	19.6 %	●●●●●
Sustainability Manager	No	-	●●●●●
Fines for non compliance with environmental regulations	No	-	●●●●●
Legality Rating	No	-	●●●●●



Opinion in brief

IPAE Progarden S.p.A., subsequently also IPAE, deals with the design and production of plastic items for the garden, furniture and home sectors, through predominant use of polypropylene. The Company operates along the various phases of the production cycle, starting from the moulds to the realisation of the finished product, exporting a large part of production abroad. The plants are located in Rogeno (LC) and Merone (CO), including offices and warehouse space.

The organisation obtained an average rating with a score of 60/100, just below the median score in the plastic products and components sector. Overall, good performance was observed with respect to the environmental aspect, with a high rate of use of recycled polypropylene and environmentally friendly packaging. The impacts in terms of energy and water terms are in line with the median of the sample. There are margins for improvement with respect to renewable energy components. There are no environmental management certifications,

nor any health and safety certifications. The Company is in the process of implementing the 50001 certification. On the social front, there is room for improvement in relation to the hours of training provided and the employee satisfaction surveys. The sense of civic duty and support that the company regularly demonstrates in the area with donations and support for associations, religious and educational institutions is admirable. IPAE is currently strengthening its governance system with the adoption of Model 231 and the Code of Ethics, which will be reviewed through questionnaires to suppliers. Looking ahead, the Company has set itself the objective of obtaining the Legality Rating. The Company has a pluralistic governance body, while it has not set specific measurable sustainability KPIs, nor has it formalised a manager with responsibility for ESG issues.

Strengths:

- High use of recycled plastics and environmentally friendly packaging
- Strong commitment by the company to communities and public utility institutions
- Presence of a BoD and positive inclusion of women in roles of responsibility
- Preparation of a Code of Ethics

Areas of improvement:

- Possession of ISO 14001 environmental certification and related improvement objectives
- Increase in the purchase of energy from renewable sources
- Adoption of a certified health and safety management system
- Formalisation of a Committee or internal manager for sustainability issues

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